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February 3, 2003

**BY HAND AND E-MAIL**

Honorable Janet Hand Deixler  
Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223

**Re: Case 99-C-0949 – Compliance Filing –  
Performance Assurance Plan**

Dear Secretary Deixler:

Enclosed please find an original and fifteen (15) copies of the Compliance Filing of Verizon New York Inc. (“Verizon NY”) for the 2003 Performance Assurance Plan (the “2003 PAP”), which is being filed pursuant to the “Order Amending Performance Assurance Plan.”<sup>1</sup> The 2003 PAP, annexed hereto, reflects each of the modifications that the Commission has directed. In addition, the 2003 PAP includes a number of administrative and editorial changes, which Staff agrees should be made. The changes are as follows:

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<sup>1</sup> See Case 99-C-0949, “Order Amending Performance Assurance Plan” (issued January 24, 2003).

**1. 2003 PAP Document – Edits:**

(a) Page 13 under the section entitled “UNE Ordering Performance,” the listed metrics have been edited to reflect the current, complete name for each metric.<sup>2</sup>

(b) Page 16, footnote 20 has been edited to read as follows: “Refer to Appendix D for the a discussion of the appropriate statistical tests.”

(c) The proposed 2003 PAP originally referred to the “final” page of the monthly report that identifies CLEC-specific payments due. This provision was clarified to indicate that this page is an additional page included in the CLEC-specific reports. (*See* page 17.)

(d) The proposed 2003 PAP refers to monthly reports being due within 25 days of the end of each month. A footnote was added to clarify that if the 25<sup>th</sup> day falls on a weekend or holiday, the reports will be due on the first subsequent business day. (*See* page 17, n.22.)

**2. Appendix B – Critical Measure No. 6 – UNE Loop:** In the proposed 2003 PAP the allocation of dollars was based on Staff’s working model for UNE-Loop and Resale and had weights of 2 and 10 for MR-3-01 and MR-5-01, respectively. However, Appendix A of the proposed 2003 PAP had weights of 10 and 10 for these measures. An analysis of the model confirmed that Cells Q177, Q178, and Q179 on Tab I were linked to the incorrect weights. With the change in weights, the allocations of dollars within Critical Measure No. 6 for UNE Loop and Resale are now as follows:

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<sup>2</sup> For the convenience of the parties, Verizon NY has also attached a redlined version of the 2003 PAP showing the revisions that have been made. All references herein are to the redlined version.

MAINTENANCE			UNE - Loop	Resale
6		Maintenance Performance	\$266,667	\$208,333
	MR-3-01	% Missed Repair Appointments – Loop – Bus.		52,083
	MR-3-01	% Missed Repair Appointments – Loop – Res.		52,083
	MR-3-01	% Missed Repair Appointments – Loop	106,667	
	MR-4-08	% Out of Service >24 Hrs. – Bus.		26,042
	MR-4-08	% Out of Service >24 Hrs. – Res.		26,042
	MR-4-08	% Out of Service >24 Hrs. – Total	53,333	
	MR-5-01	% Repeat Reports within 30 Days	106,667	52,083

These changes are reflected in Appendix B, Table B-1.

**3. Appendix B – Other Critical Measures:** The proposed 2003 PAP inadvertently omitted the weights associated with the metrics included in Critical Measure Nos. 8 and 9 and the Critical Measure for Specials. The weights for these measures appear in Table B-2 in Appendix B.

**4. Appendix C – Correction:** Metric OR-10-02 was incorrectly referred to in Table C-2 in Appendix C, which only lists measures with 95% benchmark standards. It should be deleted from that table and added to Table C-1 as follows:

Metric No.	Measure	0	-1	-2
OR-10-02	% PON Exceptions Resolved w/in 10 Business Days	≥ 99%	≥ 94 and < 99%	< 94%

(See Appendix C, Table C-1.)

**5. Appendix D – Memorandum of Understanding:** Subsequent to the comment cycle for the proposed 2003 PAP, the Carrier Working Group adopted a Memorandum of Understanding regarding the display of max/min scores of +5 or -5 for the stat score columns (the z or t score columns) and the use of the LCUG t when no permutation test was necessary. It was agreed that these provisions should be added to Appendix D to correspond with the language in the Memorandum of

Understanding. These changes appear in the footnote on page 1 and in the text on page 4 of Appendix D.

**6. Appendix E – Corrections:**

(a) With regard to Delay Day metrics, historically the practice has been to find good performance if there is no CLEC activity on an Average Delay Day metric, and the corresponding CLEC % Missed Appointment performance is 0% with activity in the same report period. In these instances, the Average Delay Day metric receives a “0” performance score with its assigned weight for the month. This practice was not documented. The practice is now memorialized in a footnote in Appendix E with a table of applicable metrics. (*See Appendix E, page 1, n.7.*)

(b) Because collocation is no longer included in the referenced provision, the sentence in the footnote on page 2 of Appendix E that states: “For Collocation, it is collocation cages installed in the month” has been deleted.

**7. Appendix F – Critical Measures – Individual Rule:** In the proposed 2003 PAP, no provision exists to cover the situation when there was no activity in the previous month. To address this, under the Individual Rule, if a CLEC has a performance score of -1 or less, in a month when Verizon NY passes a measure at the aggregate level, and no activity exists in the previous month to determine the CLEC’s eligibility for payment under the Individual Rule, Verizon NY will look back one additional month for a performance score of -1 or less for the eligibility determination. If there is no activity in either of the two previous months, the Individual Rule will not be triggered. (*See Appendix F, page 3, n.10.*)

**8. Appendix F – Edits:**

(a) In the proposed 2003 PAP, Appendix F, Tables F-1-1 and F-1-2, showed scores of -1.1, -1.2, -1.3 ... -1.9. However, under the 2003 PAP, a performance score is either a 0, -1 or -2. Thus, it was agreed that the values of -1.1 through -1.9 would be changed to -1 in Tables F-1-1 and F-1-2. (*See Appendix F, Tables.*)

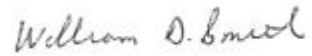
(b) The last sentence of Appendix F, page 3, section B3, was edited to add the word “qualified” to match the embedded text currently in the Staff PAP Working Model. The beginning of the sentence now reads as follows: “This rate is multiplied by the CLEC’s *qualified* volume . . . .” (*See Appendix F, page 3.*)

**9. Appendix H – Clarification:** A clarification to Appendix H was needed to explain how to allocate bill credits since the UNE metrics under the 2003 PAP are split into UNE Platform and Loop sections. The allocation is as follows: the amounts at risk for UNE Flow Through and UNE Ordering measures are first allocated between Platform and Loop in the same proportions as the totals

at risk for the two modes in MOE and then, within each mode, by each CLEC's proportion of lines (*i.e.*, CLEC Platform lines/Total Platform lines). (*See* Appendix H, page 1, n.11.)

**10. Miscellaneous Edits:** A number of typographical errors have been corrected.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "William D. Smith". The script is cursive and somewhat informal.

William D. Smith

cc: All Active Parties (By E-Mail and U.S. Mail)